

IMPORTANT ANNOUNCEMENT
CONCERNING THE
EDUCATIONAL REQUIREMENTS
FOR THE
CPA EXAMINATION

Amendments to Hawaii Revised Statutes §466-5.5 were approved by the Governor on June 6, 2002. Act 135, SLH 2002, now allows a candidate with a bachelor's degree (which requires approximately 120 hours of college education) to sit for the CPA examination; and retains the 150-hour education requirement to obtain a license as a certified public accountant in the State of Hawaii. Thus, Act 135 makes the educational requirements to sit for the examination revert back to what they were prior to December 31, 2000.

QUALIFICATIONS TO TAKE THE UNIFORM CPA EXAMINATION:

- Baccalaureate degree in accounting conferred by a college or university acceptable to the Board; or
- Baccalaureate degree with a major in a subject other than in accounting, plus eighteen (18) semester hours of upper division or graduate level accounting or auditing subjects, conferred by a college or university acceptable to the Board; or
- Baccalaureate degree or its equivalent in accounting, conferred by a college or university outside of the U.S., and submission of a letter of acceptance from an accredited U.S. college or university to its advanced degree program, or an educational equivalency report prepared by an evaluator approved by the Board.
- If necessary, a statement from a college official indicating that the applicant will graduate within one hundred twenty (120) days after the examination.

FOR COMPLETE INFORMATION ON THE REQUIREMENTS TO TAKE THE CPA EXAMINATION, CHECK THE BOARD'S WEBSITE:

www.state.hi.us/dcca/pvl/areas_accountancy.html

or *CALL THE BOARD'S OFFICE AT:* (808) 586-2696

*FOR APPLICATION FORMS AND INFORMATION ON REGISTRATION,
CHECK THE CPA EXAMINATION SERVICES (CPAES) WEBSITE:*

www.nasba.org/nasbaweb.nsf/exam

or *CALL CPAES AT:* (800) 272-3926 or (615) 880-4268

CPA REQUIREMENTS - EXAMINATION, CERTIFICATE AND PERMIT TO PRACTICE

BOARD'S LAWS AND RULES

Copies of the Accountancy laws, Chapter 466, HRS, and Chapter 71, Hawaii Administrative Rules are available for \$1.75 from: *Cashier, Commerce & Consumer Affairs, P.O. Box 541, Honolulu, HI 96809.* Price subject to change without notice.

The laws are posted on the Internet at www.capitol.hawaii.gov/. Select from the menu "Status and Documents", then search "Hawaii Revised Statutes". Enter the specific chapter and section. The rules are posted on our website at: www.state.hi.us/dcca/pvl, then click on the specific board/program.

MAILING ADDRESS

BOARD OF PUBLIC ACCOUNTANCY
DCCA, PVL Licensing Branch
P.O. Box 3469
Honolulu, HI 96801

Deliver to office location at:

1010 Richards St., 1st Floor
Honolulu, HI 96813

EXAMINATION

EDUCATION

Possess a baccalaureate degree and 18 semester (27 quarter) hours of upper division or graduate level courses in accounting or auditing.

Requirement must be met prior to the candidate's 1st exam or at the latest 120 days following the 1st exam.

Foreign School Graduates may sit for the examination by first submitting a letter of acceptance from an accredited U. S. college/university's advanced degree program, or have their credentials evaluated by an approved educational evaluation service. Contact CPA Examination Services at the address and telephone number below for details.

POSTPONEMENT OF EXAM

No more than one (1) postponement to the succeeding examination is permitted during the course of an applicant's history. A written request shall be received at least 30 days prior to the exam. FEE IS NONREFUNDABLE. Failure to obtain a postponement or to appear for a scheduled exam shall result in forfeiture of the examination fee.

CONDITIONAL CREDIT

A score of 75 or more shall be obtained in two of the four parts of the exam and a score of not less than 50 in the remaining parts. To add to conditional credits, obtain score of 75 or more and a grade of at least 50 in parts not passed.

Conditional credits expire at the end of the sixth succeeding examination from the examination in which conditional credits were first granted.

WAIVER OF ENTIRE EXAM

The examination shall be waived if a candidate:

1. Holds a valid certificate which was issued under the laws of another state, OR
2. Does not hold a certificate but passed the Uniform CPA exam in its entirety in another state.

APPLICATION

CPA Examination Services (a division of the National Association of State Boards of Accountancy) has been contracted by the board to administer the CPA exam. All inquiries regarding the exam, and requests for application forms, should be directed to the following:

CPA Examination Services
Hawaii Coordinator
150 Fourth Avenue, North
Nashville TN 37219-2417

Phone: (800) 272-3926
(615) 880-4200

8:00 a.m. – 4:30 p.m. Central Time

website: www.nasba.org/nasbaweb.nsf/exam

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CERTIFICATE

Candidates must be at least 18 years of age and passed the Uniform CPA Examination.

EDUCATION

1. 150 semester (225 quarter) hours of college education, within which an applicant shall have:
 - a. A baccalaureate or higher degree conferred by a college or university acceptable to the Board; and
 - b. An accounting concentration (see attached Board Policy Regarding Educational Requirements, effective June 21, 2001, amended June 7, 2002).
2. Applicants who passed the Uniform CPA Examination before December 31, 2000, or held conditional credits before December 31, 2000 and subsequently passed the examination before the conditional credits expired, may continue to meet the following education requirements:
 - a. A baccalaureate degree; and
 - b. 30 semester (45 quarter) hours of upper division or graduate level business-related^{1/} subjects (in addition to the baccalaureate degree); OR
30 months of experience with a public accounting firm (this experience may not also be credited toward the experience requirement); and
 - c. 18 semester (27 quarter) hours of upper division or graduate level accounting or auditing subjects (which may have been earned while obtaining the baccalaureate degree).

EXPERIENCE

1. 1,500 chargeable hours in performance of audits involving generally accepted accounting principles and auditing standards earned while in public accounting practice; OR
2. Two (2) years of professional experience in public accounting practice, private, industry, government, or education.

IMPORTANT NOTICE: This experience requirement is in addition to the 30-month experience option that satisfies the 30 semester hours of additional study requirement for applicants who passed the Uniform CPA Exam before December 31, 2000, or held conditional credits before December 31, 2000, and subsequently passed the exam before the conditional credits expired.

Experience must have been earned while employed on a full-time basis (35 or more hours per week). Signed and certified statements from employers or supervisors providing specific dates of employment, total hours worked, and descriptions of duties and responsibilities are required. The statements must indicate whether the experience fulfills the 1,500 chargeable audit hours or the 2 year requirement, and must be signed and certified by former or present employers or supervisors who hold or had held a CPA license in Hawaii, or the equivalent in another state, during the time of employment or supervision.

COMPETENCE CERTIFICATES

Applicants shall submit three (3) *Certificate of Competence* forms which have been completed by people who are not related to you and will attest to your competence, trustworthiness and fairness.

FEES

*If a certificate will be issued to you in an EVEN-NUMBERED year, pay\$165
(Application-\$25^{2/}, Certificate-\$50, Compliance Resolution Fund-\$70,
1/2 Renewal-\$20)*

*If a certificate will be issued to you in an ODD-NUMBERED year, pay.....\$110^{3/}
(Application-\$25^{2/}, Certificate -\$50, Compliance Resolution Fund-\$35)*

Make check payable to: **COMMERCE & CONSUMER AFFAIRS.**

Note: *One of the numerous legal requirements that you must meet in order for your new license to issue is the payment of fees as set forth in this application. You may be sent a license certificate before the check you sent us for your required fees clears your bank. If your check is returned to us unpaid, you will have failed to pay the required licensing fee and your license will not be valid, and you may not do business under that license. Also, a \$15.00 service fee will be charged for checks which are returned by the bank.*

If for any reason you are denied the license you are applying for, you may be entitled to a hearing as provided by Title 16, Chapter 201, Hawaii Administrative Rules, and/or Chapter 91, Hawaii Revised Statutes. Your written request for a hearing must be directed to the agency that denied your application, and must be made within 60 days of notification that your application for a license has been denied.

APPLICATION

Submit an *Application for Certificate-CPA* (Form CPA-04), with applicable fees and supporting documents for education and experience.

BIENNIAL RENEWAL

Licensees shall renew certificates and permits to practice on or before December 31 of each odd-numbered year. There is no grace period for renewal. Practicing public accountancy without a current license and a current permit to practice shall constitute unlicensed activity.

^{1/} "Business-related" subjects include: accounting and auditing; taxation; management services; computer science; economics; business law; functional fields of business (finance, production, marketing, personnel relations, and business management), and other business-related subjects as approved by the Board.

^{2/} Application fee is not refundable.

^{3/} Subject to renewal December 31, odd-numbered years.

PERMIT TO PRACTICE

A PA or CPA certificate or license indicates that the licensee has met the minimum education and experience requirements.

To practice as a PA or CPA the licensee:

1. Shall hold a current Hawaii PA or CPA certificate, and
2. Shall obtain a current "Permit to Practice."

APPLICATION

Licensee shall submit an "Application for 20 _____ - 20 _____ Permit to Practice" at least 30 days before the date on which the permit will become effective.

FEES

Licensee shall attach to the application the appropriate fee:

If you will practice as a sole practitioner, partner or
principal of a corporation, pay \$125
If you will practice as a staff member of one
of the above, pay..... \$ 55

Make checks payable to: **COMMERCE & CONSUMER AFFAIRS. Note: A \$15.00 service fee will be charged for checks which are returned by the bank.**

CONTINUING EDUCATION

Licensees applying for permits after allowing their permits to lapse or applying for the first time shall obtain 80 hours of continuing professional education (CPE).

Licensees renewing their Permit to Practice shall provide certificates which verify that 80 hours of CPE were earned during the 24 months prior to the date of application. Licensees renewing their permit for the **first** time may apply on a prorated basis (10 CPE per quarter) dependent on the effective date of the initial permit. All CPE credits must have the Board's approval.

CPE DEFICIENCY

Licensees applying for permit renewal who fail to have 80 CPE hours by the December 31 deadline shall not be permitted to practice until the deficiency is made up. Licensees who are applying for a permit for the first time and who fail to earn 80 CPE hours by the date of application shall not be permitted to practice until the deficiency is made up. Practicing public accountancy without a current license and a current permit to practice shall constitute unlicensed activity.

CPE CARRYOVER

A maximum carryover of 40 CPE hours shall be allowed.

CPE CREDIT FOR PASSING AICPA EXAM

A licensee shall be credited with 80 hours of CPE for passing the Uniform CPA Examination, provided an application for permit to practice is filed within two (2) years of the notification date for passing the exam. Forty (40) hours of CPE will be credited for passing the Uniform CPA Examination if the application for permit is filed within three (3) years of the notification date for passing the exam. Credits for passing the exam may be used only once.

BOARD'S ADDRESS

Mail all required items to:

Board of Public Accountancy
DCCA, PVL Licensing Branch
P.O. Box 3469
Honolulu, HI 96801

or

Deliver to office location at:

1010 Richards St., 1st Floor
Honolulu, HI 96813
Phone: (808) 586-3000

This material can be made available for individuals with special needs. Please call the Licensing Branch Manager at (808) 586-3000 to submit your request.

BOARD OF PUBLIC ACCOUNTANCY
BOARD POLICY REGARDING EDUCATIONAL REQUIREMENTS
(Effective June 21, 2001; Amended June 7, 2002)

An applicant subject to the one hundred fifty (150) semester hour educational requirement provided in §466-5.5 HRS, shall have:

- (1) A baccalaureate or higher degree conferred by an educational institution accredited by a regional or national accrediting agency or association approved by the Board, or evidence that the baccalaureate or comparable degree qualifies the applicant for acceptance for an advanced degree at an educational institution accredited by a regional or national accrediting agency or association approved by the Board; and
- (2) One hundred fifty (150) semester hours of college education from an educational institution accredited by a regional or national accrediting agency or association approved by the Board, which shall, at minimum, include:
 - (a) Twenty-four (24) semester hours in upper division or graduate level accounting courses including, without limitation, courses in financial accounting, auditing, taxation, and managerial accounting; and
 - (b) Twenty-four (24) semester hours in upper division or graduate level non-accounting business-related courses including, without limitation, courses in economics; legal and social environment of business; business law; marketing; finance; organizational, group, and individual behavior; quantitative applications in business; communication skills; business ethics; globalization; total-quality management; computer science; human relations; or other business-type courses.

For purposes of this policy:

- (1) "Educational institution" means a four-year degree-granting college, school, or university;
- (2) "National accrediting agency or association" includes, without limitation, the American Assembly of Collegiate Schools of Business, and other similar agencies and associations approved by the Board;
- (3) "Regional accrediting agency or association" includes, without limitation, the Western Association of Schools and Colleges, and other similar agencies and associations approved by the Board;
- (4) "Upper division courses" means courses usually taken at the junior or senior undergraduate level; and
- (5) To be acceptable, the educational institution shall be accredited in accordance with this policy at the time the applicant is granted the degree.